

CHOICE 2015 PROGRAM

APPLICATION INSTRUCTIONS

The Agency welcomes your Choices in Homeownership (“CHOICE”) project proposal. The CHOICE program has been significantly revised, as have these instructions. The application is designed to ensure submission quality and uniformity with a simplified format. Please read the application and 2015 CHOICE Guidelines carefully and feel free to contact the CHOICE staff at the Agency if you have any questions.

The appropriate application fee must be included with your submission. One original application must be sent to the Agency and one copy needs to be sent to the Participating Lender. As part of your application, the Participating Lender will need to provide a term sheet within 30 days of commitment for financing, with the sole condition being Agency’s financing commitment. Applications without a Participating Lender’s Term Sheet will not be considered complete.

The application should be concise and complete. Applications that are missing substantial amounts of information will not be reviewed until supplemented. Applications cannot be approved until complete. Overly expansive public relations type brochures about the developer or members of the development team are unnecessary.

Provided in this package are tabbed dividers for each section of the application. Each divider contains a documents checklist of items that are required in that particular section. In addition, a section summary and other informational items are located in the appropriate section. It is mandatory that these dividers and application materials are incorporated in your CHOICE application and that the application is organized (stacked) as indicated on each divider. If documentation is provided that is not listed on the documents checklist, please identify this additional information on the divider. Place a mark in each box on each divider to alert the application reviewer as to what has been provided.

Please see the next two pages for application preparation tips and the application review process.

It is recommended that the application assembler perform the following steps:

- Read the CHOICE Program Guidelines and Application Instructions thoroughly. All requirements listed in these guidelines and application package *must* be complete for CHOICE review. **It is the applicant's responsibility to provide the required information. Agency staff cannot independently provide application documentation.**
- A Sponsor information session will be held at HMFA. Please check our website or call for the session date. You can register for the information session online at: <http://www.state.nj.us/dca/hmfa/> or call Anthony Kasperek at (609) 278-8829 to confirm attendance in advance. The information session is not mandatory but is recommended.
- **In order to submit an application in CHOICE, the developer/sponsor must meet with staff to review their application, prior to the submission.** If you have individual questions, feel free to call one of the contact people listed below.
- Complete the application in its entirety. If a section, question, or required submission does not apply to your project, you must indicate "not applicable" and provide back-up documentation to substantiate. **If any of the application submissions are unresponsive, unclear, incomplete, or missing, the application review cannot proceed until the items are submitted or corrected.**
- Organize the application as indicated on each divider. If additional information is provided, it should be *clearly* identified on the divider and in the upper right side of the exhibit.
- Application materials are to be clear and of reproducible quality. Information is to be placed on 8.5" x 11" paper, with the exception of two full sets of the Preliminary or Final Site Plans which must be full size plans, a minimum of 24" x 36". The application is to be bound in an appropriately sized (usually at least four inches) three-ring style binder that allows for ease in paging and insertion of additional information. In addition, please provide two CD-ROM disc or USB flash drive copies of the application. All exhibits must be identified in the upper right side of each. Please do not place materials into individual plastic sleeves with the exception of the site plans.
- **Include the non-refundable CHOICE Application Fee made payable to the NJ Housing and Mortgage Finance Agency.**

The following fee schedule applies:

Non-profit sponsors/developers-	\$2,000.00
For-profit sponsors/developers-	\$4,000.00

- Send applications to New Jersey Housing and Mortgage Finance Agency:

Mailing Address

P.O. Box 18550
Trenton, New Jersey 08650-2085
ATTN: CHOICE Supervisor

FED EX UPS.

637 South Clinton Avenue
Trenton, New Jersey 08611
ATTN: CHOICE Supervisor

The CHOICE 2015 Application Review, Approval and Post-Commitment Process:

- CHOICE information session - date and time will be posted on the Agency's website. This is optional, but attendance is recommended.

The Agency shall begin accepting and reviewing CHOICE 2015 applications after the project review meeting with the developer and CHOICE staff. CHOICE construction loan and subsidy funding commitments will be made by the HMFA Board on a first come first served basis.

As part of the fairness of allocation, generally, no more than two (2) applications per municipality will be approved for 2015 CHOICE awards. However, depending upon such things the size of approved projects, availability of remaining funds and the length of time unused funding has been available, exceptions may be made.

- Award Selection from among Simultaneously Completed Applications:

Applications will be recommended for funding commitments on a first come first served basis in the order that they are deemed complete by the Agency staff. The Agency recognizes that the requests for 2015 CHOICE subsidy funding may exceed the total 2015 subsidy funding that is being made available. If the completed but unapproved applications exceed the total available 2015 CHOICE subsidy, there will be a random selection(s) made by the Agency to determine which completed applications will be recommended for awards. Application will be deemed to have been completed simultaneously if deemed by the Agency staff to be completed within seven (7) calendar days of the date of the first completed application and there are no allocation fairness issues to consider. The Agency staff makes no representations that it will notify applicants of the approval status of any application that has not been approved by the Agency Board. The Agency will randomly select the completed application(s) for recommendation for award by assigning numbers to each application and using the HAS random selection calculator or some other verifiable random selection program to make the selection.

The applicant's chosen Participating Lender (note that it is the applicant's responsibility to select a Participating Lender and secure a commitment) and the Agency shall simultaneously review the CHOICE application. The Agency shall ensure that the application meets all CHOICE Program Guidelines and that all application instructions and requirements are met. The Participating Lender shall assist the Agency in determining the development team's capacity and shall help analyze real estate sales comparables for the proposed project units, underwrite the project and provide to the sponsor a commitment for financing, with the sole condition being Agency's financing commitment for the project.

- If there are deficiencies in the application, the Agency shall notify the applicant and send a cure letter that includes a list of those deficiencies (needed documents, missing signatures, etc.) to the applicant.
- If and when all the information in the application is acceptable, and availability of funds, the Agency shall formally seek approval from the Agency Board of Directors for a commitment for project financing (construction loan, subsidy, if any, and an end loans set-aside).
- After the Agency's Board of Directors has formally committed the Agency financing, the Participating Lender and Agency shall then prepare for closing. Projects receiving Agency commitments must close within 180 days after the Agency's commitment takes effect.

- After the closing takes place on all Agency and Participating Lender financing, the Participating Lender shall oversee construction period servicing and disburse the CHOICE construction loan and subsidy funds (except for the required subsidy retainage, which will be disbursed by the Agency directly to the Sponsor upon receipt of certificates of occupancy for each unit, evidence of any required unit deed restrictions and approval by the Agency of an independent project cost certification).
- Partially completed projects and age-restricted projects are ineligible for CHOICE 2015 subsidy funding.
- The Agency reserves the right to reject any and all submissions. Funding of any application is always subject to the availability of funds.

CONTACT INFORMATION

If you have questions regarding the 2015 CHOICE Program Guidelines, please contact one of the following:

Joyce Earley (609) 278-7550
Supervisor of SF Construction Loan Programs
JEarley@njhmfa.state.nj.us

Anthony Kasperek (609) 278-8829
Construction Loan Officer
AKasperek@njhmfa.state.nj.us

Questions on the 100% Financing Program may be directed to:

Jim Franks (609) 278-7556
Loan Originator
JFranks@njhmfa.state.nj.us

Written inquiries may be sent to:

CHOICE@njhmfa.state.nj.us or

New Jersey Housing & Mortgage Finance Agency
Post Office Box 18550
Trenton, New Jersey 08650-2085
Attention: Director, Single Family Division

Fax # (609) 278-1720